

Open Networks Challenge Group

Terms of Reference

Background & Context

- Energy Networks Association (ENA) represents the electricity and gas network companies in the UK and Ireland. Energy networks have a fundamental role to play in helping the UK meet its ambitious Net Zero targets. As the voice of the energy networks sector, ENA is leading the Open Networks programme on behalf of its members to lay the foundations of a Net Zero ready grid in the UK.
- Through its work over the years, Open Networks has introduced real momentum into the transition to a smart and flexible energy system and has set out a clear least pathway to deliver it. With over 3GW of flexibility available for tender in Great Britain this year, the programme's work has helped the UK to establish world leading local flexibility markets.
- As recently seen in the Ofgem and Department for Business, Energy and Industrial Strategy (BEIS) Smart Systems & Flexibility Plan, Open Networks has a clear mandate to deliver the fundamental building blocks to further develop flexibility markets and to deliver a common framework for flexibility by 2023. Working closely with the wider industry will be critical to the success of this framework and we want to ensure that we are facilitating this collaboration in the best possible way.
- Open Networks has engaged closely with stakeholders over the years through forums and channels such as the Advisory Group, consultations, webinars, events and workshops. This has worked well to date in helping us get to where we are, but we believe that more will be needed next year. Recent feedback from stakeholders tells us that there is an appetite for greater collaboration, particularly for developing flexibility proposals.
- With this in mind, Open Networks has explored approaches for more collaborative governance of key flexibility developments. We kicked off with an incremental approach this year, starting with User Forums. Building on this, we are setting up an Open Networks Challenge Group for 2022 to enable the wider industry to further challenge and shape the work of the programme.
- Given the programme's mandate to deliver a common framework for flexibility by 2023, we anticipate that the interest and focus of this group will be on topics that relate to flexibility, but we will welcome and consider other topics as necessary.
- We are inviting the industry to join this Challenge Group. This document sets out the Terms of Reference and the process to participate in this group.

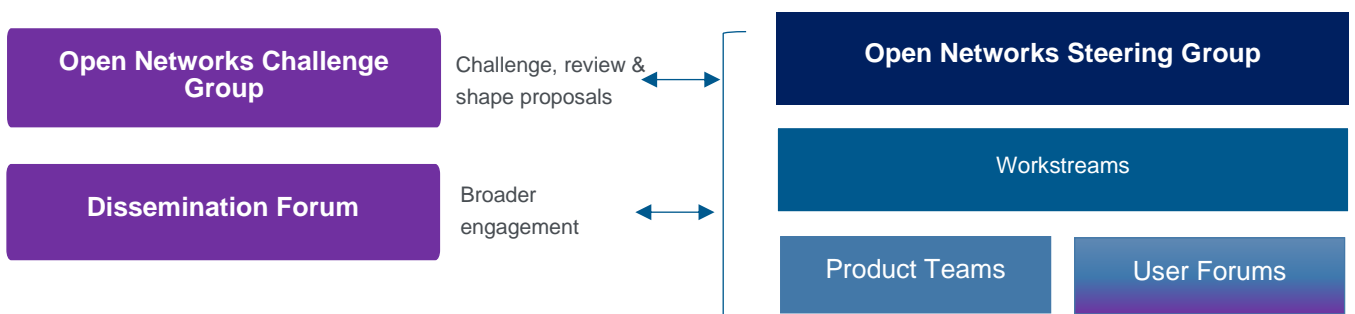
Objectives and Scope

- The objective of the Challenge Group is to shape the direction of the programme, its priorities, and the outcomes that it delivers by providing a more formal challenge function on behalf of the wider industry. The Challenge Group will also provide challenge on progress to ensure that the programme remains ambitious in delivery and implementation of key proposals.
- Given the programme's mandate to deliver a common framework for flexibility by 2023, we anticipate that the interest and focus of this group will be on topics that relate to flexibility, but we will welcome and consider other topics as necessary.

- The Challenge Group gives stakeholders an increased role in challenging and shaping flexibility proposals and ensuring that the programme is sufficiently ambitious in its scope and is delivering change at pace.
- The scope of this group will be to:
 - Shape the priorities and work plan at the start of the year and identify key areas for engagement¹
 - Review and shape key programme proposals and provide challenge on progress
 - Facilitate stakeholder engagement within their areas as required

How this fits into Open Networks Governance

- The Challenge Group will provide a challenge function to the programme and as part of this, the group will help to shape the scope and priorities for the programme, provide ongoing input into key areas of development and challenge progress through the year.
- The Challenge Group will have an independent chair that will represent the group’s recommendations to the Steering Group.
- The Challenge Group will be supplemented by the Dissemination Forum that will be created in 2022 for stakeholders to engage more broadly with the programme. This forum will meet quarterly and will be open for anyone to join to enable us to get as broad input as possible.
- In 2022, the Advisory Group will be superseded by the Challenge Group and Dissemination Forum. Whilst the Advisory Group has worked well to date, we believe that having the two groups enables will enable better participation and collaboration.
- The diagram below sets out the governance structure and outlines the main roles and responsibilities of the other groups involved in Open Networks.



Group	Description
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¹ Note that as part of the application process, Challenge Group representatives will be asked to provide their input on the scope and priorities that will be factored into the 2022 Programme Initiation Document that will be launched in January.

Open Networks Steering Group	<p>The Open Networks Steering Group is the key group with responsibility to direct the delivery of the programme to time, cost and quality and are accountable for the implementation of Open Networks proposals within their individual organisations.</p> <p>This group is comprised of senior networks representatives, Ofgem and BEIS. This group will also include representation from the Challenge Group Chair to represent the views and recommendations of the group.</p>
Workstreams	<p>The programme has six Workstreams to oversee work within each area of the programme. These Workstreams are comprised of network SMEs², Ofgem and BEIS representatives and are responsible for reviewing and directing the delivery of work within their areas.</p> <p>These Workstreams typically meet once a month to review progress across products and are responsible for making a recommendation to the Steering Group for approval and implementation of proposals from their areas.</p>
Product Teams	<p>Open Networks typically has 25-30 Products to deliver in any given year across all the workstreams. A Product Team is commissioned for each product and is resourced with experts on the topic across all network companies.</p> <p>These Product Teams are responsible for the delivery of their products and associated deliverables as per the agreed workplan for the year. They typically meet 2-3 times a month and undertake development work outside of these meetings as well to progress delivery.</p> <p>Each Product Team has a Product Lead that is accountable for delivery. The Product Lead report progress to the Workstreams regularly and seek their steer and input as required.</p>
User Forums	<p>User Forums were introduced in 2021 and are a mechanism for stakeholders to work within the Product Teams to undertake development work. Whilst interest was limited at the time, the feedback was to continue to keep this option open for stakeholders in 2022 and form these groups when there is sufficient interest.</p> <p>User Forums are the most appropriate forum for stakeholders that would like to participate in the ongoing detailed development of proposals.</p>

² The Whole Energy Systems workstream includes wider representation from the sector including GDNs and trade associations representing other parts of the industry.

Roles and Responsibilities

Chair

- An independent Chair will be appointed by and paid for by the ENA. ENA is advertising the Chair role and [is inviting applications from the industry](#).
- ENA will form a recruitment panel to interview and select candidates. This panel will include Ofgem and BEIS representatives.
- Being independent, the Chair will act as an individual and not represent the views and interest of any organisation or industry group.
- The role of the Chair is to provide leadership and effectively facilitate this group, ensuring that the objectives are met.
- The Chair will represent the Challenge Group at the Open Networks Steering Group as well as external forums as required.
- The Chair will be responsible for ensuring compliance to Competition Law.

Members

- Members will be selected following an open call for participation (Membership and selection process) in 2021 and membership will be reviewed on an ongoing basis to ensure a good range of representation and participation across the industry.
- The membership of the group will include non-network representatives from the industry who will provide input and expert challenge.
- The role of Members is to draw on their expertise and represent the views of their organisation and their sector of the industry. Whilst Members may not formally represent all of the organisations within their sector, we expect their views to be influenced by their experience of their sector.
- Members will be responsible for ensuring that they are not in breach of Competition Law and will declare any conflicts of interest to the Chair in advance of all meetings.
- The Members will be required to actively participate and meaningfully contribute to the discussions and ensure that they are adequately prepared for meetings. The following input will be required from the Challenge Group Members to support the objectives:

Shape priorities and workplan

- The Members will review the priorities and draft work plan at the start of each year and provide input to help shape it appropriately with a view to finalise it within Q1. In order to inform the 2022 Programme Initiation Document (PID), Challenge Group reps will be required to provide their input on scope and priorities as part of the open call for participation process so the programme can factor this into the 2022 PID that will be launched in January.
- At the start of each year, the Members will also confirm products that they would like to formally review through the year via the Challenge Group. Members will also have the opportunity throughout the year to join User Forums to engage in detailed development of products where they wish to.

Review and shape proposals and challenge progress

- The Challenge Group Members will provide ongoing input and senior challenge to the agreed areas of work.
- As part of providing this challenge function, Members will clearly set out areas of agreement and disagreement with reasons and suggested mitigations for the Steering Group to consider prior to approval and implementation of these proposals.
- The Challenge Group Members will also review progress made by the programme and will challenge it to ensure that the programme remains ambitious in delivering the scope and implementing key outcomes. This will be facilitated through a mid-year review.

Facilitate stakeholder engagement within their areas

- The Members will act as a conduit between the programme and their sector of the industry to facilitate bilateral dialogue and input.
- As part of this, members will be required to facilitate engagement within their sector to help disseminate the learnings of the programme and to bring consolidated views from the sector to inform the programme.

Secretariat

ENA will provide secretariat support to this group. This will include the administration associated with organising meetings which includes the following:

- Running the initial call for participation process and maintaining a membership register going forward.
- Working with the Chair to prepare agendas, circulate supporting materials in advance of the meetings, and clearly communicate the key asks of the group and the timescales for this.
- Taking meeting minutes and maintaining a Challenge Log to capture feedback on material presented for review. This Challenge Log will also note subsequent actions to address this feedback.

Ways of working

Meetings

- The group will meet bi-monthly (date TBD), starting from January 2022.
- Depending on the situation with Covid-19, meetings are likely to be initially held virtually via MS Teams. At a later stage, these meetings may be held at the ENA office in London with the option for attendees to join virtually.
- At the first meeting, Challenge Group Members will have the opportunity to review and agree on the Terms of Reference for this group.
- The Challenge Group Members will be expected to attend all meetings as much as possible through the year. Participation will be important to ensure that we are getting broader views from across the industry and can factor them into our work in a timely fashion, without compromising progress. For situations where Members are unable attend, they should nominate an alternative representative from their organisation and inform the Chair and ENA in advance of the meeting.
- Members missing successive meetings without providing alternative representation may be asked to withdraw their membership of the Challenge Group to give other people in the industry the opportunity to participate and provide input.

- The agenda for each meeting will clearly identify the required outcomes for each item and will clearly set out review expectations. ENA will endeavour to share the agenda and materials two weeks in advance of the meetings, noting that there may be instances where the product development timelines do not allow this. In such situations, Open Networks will ensure that the Challenge Group are given adequate time to review the content and share feedback post-meeting.
- Challenge Group members will have the opportunity to request any additional agenda items that they may wish to have included in the meeting. ENA will review and facilitate this as best as possible.
- The Chair will ensure that the discussions remain focussed on the agenda and the Challenge Group will be expected to actively participate in these meeting and constructively contribute to the discussions.
- ENA will take the meeting minutes, ensuring that the key discussions are captured. ENA will share the meeting minutes within one week of the meeting date. The Challenge Group will have the opportunity to review and comment on them prior to them being published.

Transparency

- All agendas, accompanying materials, meeting minutes and the Challenge Log will be published on ENA’s website.

Reviews

- ENA will facilitate a mid-year review with the Challenge Group to review progress made by the programme to ensure that it is delivering and implementing outcomes at pace.
- As this is a new group, ENA will undertake bi-annual reviews initially to review the effectiveness of the group in terms of collaboration and helping to bring in wider views from the industry.

Membership and selection process

- ENA will setup this Challenge Group with up to 19 non-network industry representatives with the allocations per stakeholder group below. We are limiting numbers to ensure that we can facilitate the required discussions and engage appropriately via this forum. We believe that having a Challenge Group larger than this is likely to compromise the level of engagement and input that we are seeking.
- Note that ENA will continue to engage with the broader industry through the Dissemination Forum that will be open for anyone to join.

Stakeholder Group		Number of seats
Flexibility providers	Generator	8*
	Demand customer	
	Storage	

	Aggregator	
	Large supplier	
	Small supplier	
	Trade or representative body with an interest in flexibility	
	Supply chain and smart solutions	1
	Platform provider	1
	Settlement agent	1
	Community, local energy and local authorities	2
	Data	1
	Academia	1
	Code Manager	1
	Regulator	1
	Government	1
	Consumer Protection Party	1
	TOTAL	19

*Note: We have specified a total number of seats for Flexibility Providers noting that some companies may represent multiple groups. Our aim will be to ensure that we can have as broad representation across the various sub-groups identified here.

- The Challenge Group will be formed via an open call to participation with a view to beginning in January 2022. Following this, new requests for membership will be reviewed by the Steering Group on an ongoing basis.

- ENA will review all the requests to join and will shortlist representatives based on the information submitted and will take a pragmatic approach to setup the Challenge Group to ensure that we can get as broad and fair representation on the group as possible.
- If there are more candidates than places, we will select the candidate based on the information submitted, preferring trade associations/representative bodies where they exist, followed by a preference for candidates that are impacted by flexibility proposals and have the expertise to offer perspectives on these proposals.

Application Process

Please complete the form below to submit your application.

<https://forms.gle/fFRc6RQURBLvYHet9>